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IN THE HOUSE

BY THE FINANCE COMMITTEE

HOUSE BILL NO. 370

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIRST LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the annual budgets and audits of school districts; allowing the commissioner of education to make certain budget adjustments; amending Sec. 37-3-63, ACLA 1949 as amended by Ch. 77, SLA 1951 and Ch. 49, SLA 1955; and amending Sec. 6, Ch. 49, SLA 1955; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. Sec. 37-3-63, ACLA 1949 as amended by Ch. 77, SLA 1951 and Ch. 49, SLA 1955 is amended to read as follows:

Sec. 37-3-63. ANNUAL BUDGET OR STATEMENT OF PROPOSED EXPENDITURES. The school board of each incorporated city, incorporated school district, or independent school district shall annually before the first day of March [JULY] submit to the Commissioner of Education a budget or detailed statement of proposed expenditures for the maintenance of the schools of such incorporated city or incorporated school district or independent school district during the following complete school year. Said detailed statement shall be submitted in the manner and form prescribed by the Commissioner of Education. The Commissioner of Education shall designate those expenditures for which state [TERRITORIAL] payment will be allowed. All budgets will show the total enrollment by

grades and the average daily membership for the elementary and the high school levels separately for the preceding year and the estimated total enrollment by grades and the estimated average daily membership for the elementary and high school levels separately for the year that the budget covers, and such other information as may be requested. The Commissioner of Education may disapprove or reduce any items in the budget and shall approve for state [TERRITORIAL] payment only such parts of the proposed expenditures as come within the purview of this Act [ARTICLE], and are reasonable and necessary. The decision of the Commissioner with respect to the budget shall be final. No payment of state [TERRITORIAL] moneys shall be made to any school board in excess of the budget approved by the Commissioner of Education; provided, that items may be added, deleted, or changed and the total amount of the annual budget may be revised upward or downward by the Commissioner of Education at a later date, should change in enrollment or other emergency factors make such a revision necessary. The Commissioner of Education may, during each fiscal year, maintain an appropriation reserve not to exceed five per cent of the total fiscal year appropriation made for support of schools within districts pursuant to Sec. 37-3-62, ACLA 1949 as amended. Such reserve shall be expended only within the fiscal year for which appropriated and shall be used by the Commissioner of Education, in his discretion, to make adjustment payments to school districts when changes in enrollment or other emergency factors make such an adjustment necessary.

Sec. 2. Sec. 6, Ch. 49, SLA 1955 is amended to read as

follows:

HB #370 as amended  
by the Senate

1           Section 6. ANNUAL AUDIT REQUIRED. The school board in  
2 each incorporated city, incorporated school district, and  
3 independent school district shall each year on or before  
4 the first day of October [JANUARY] have an audit made by a  
5 competent accountant of the school accounts for the school  
6 year ending the preceding June 30 and a certified copy of  
7 the same shall be filed immediately with the Commissioner of  
8 Education. The audit report as filed shall include audit  
9 verification of the final report of expenditures submitted  
10 in accordance with Section 5 of this Act. The Commissioner  
11 of Education shall withhold all payments of state [TERRITOR-  
12 IAL] funds after the first day of November [FEBRUARY] to any  
13 school district failing to file with his office a certified  
14 copy of such audit and no state [TERRITORIAL] funds shall be  
15 paid to any school district after this date for any purpose  
16 until such audit is filed with the Commissioner of Education;  
17 provided, however, that the Commissioner of Education shall  
18 have the authority to conduct a re-audit or an audit check  
19 in any of the above school districts if in his judgment such  
20 action is necessary to fully substantiate the final report of  
21 expenditures of such district; and provided, further, that  
22 the Commissioner of Education shall have authority, in his  
23 discretion, on or before the 1st day of July of each year to  
24 notify the school board of any school district which was in  
25 the eighty-five per centum payment group as provided in  
26 Section 2 of this Act that his office will conduct the audit  
27 of the school accounts for the current school fiscal year  
28 ending June 30.

29           Sec. 3. This Act takes effect on the day after its passage

1 and approval or upon its becoming law without such approval.

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